

FOOTHILL TRANSIT

MINUTES

The study session of the Foothill Transit Executive Board was held Wednesday, April 14, 2010, at the Foothill Transit Conference Room, 100 South Vincent Avenue, 2nd Floor, West Covina.

Vice Chair Chandler called the meeting to order at 2:00 p.m. The following members were present, constituting a quorum of the Executive Board:

Roger Chandler, Vice Chair
Peggy Delach
Carol Herrera
Paula Lantz

Excused Absence:

Michael De La Torre, Chair

Motion: Member Herrera, seconded by Member Delach

Vote: Unanimously carried

Doran Barnes, Executive Director, introduced Kevin Ooms and Ken Westbrook, Veolia Transportation. Mr. Ooms serves as Vice-President of Accounting and Reporting. Mr. Westbrook, Chief Operating Officer, has been with Veolia for over thirty-five years, and previously served as Senior Vice President for the Eastern half of the United States.

Mr. Westbrook thanked Foothill Transit for their partnership with Veolia, and looks forward to working with Foothill in the future.

PUBLIC COMMENT

There was none.

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Existing Litigation, Government Code § 54956.9 (a)

Name of Case: Watry design, Inc. v. Foothill Transit

Los Angeles County Superior Court, Central District, Case No. BC415976

The Executive Board recessed at 2:05 p.m. to Closed Session.

The Executive Board reconvened at 2:36 p.m. from Closed Session.

Darold Pieper, General Counsel, announced that no reportable action was taken in Closed Session.

SAN GABRIEL VALLEY PARK AND RIDE

Doran Barnes, Executive Director, gave an update on the Park and Ride project; Foothill Transit has identified three potential sites for the building:

- City of Azusa - across Azusa City Hall along Alameda Avenue and adjacent to the future Metro Gold Line Station (corner of E. Foothill Boulevard & N. Alameda Avenue)
- City of Baldwin Park – in Baldwin Park's City Hall Parking lot adjacent to the Metrolink Station (at 14403 Pacific Avenue)
- City of Industry - Proposed LA Football Stadium (within the stadium's parking lot)

Because the project sites will be located within Foothill Transit's service area, the project name will be changed from the West Covina Park and Ride to the San Gabriel Valley Park and Ride.

The Executive Board directed staff to continue discussions regarding the San Gabriel Park and Ride Project with these cities and to continue to explore other viable locations as potential options.

Motion: Member Lantz, seconded by Member Herrera
Vote: Unanimously carried
([See Supporting Documents](#))

FIVE YEAR FINANCIAL OUTLOOK

Richard Hasenohrl, Director of Finance, presented the Foothill Transit Five Year Forecast with Revenues and Expenditures spread over Fiscal Years 2011-2016.

The Executive Board received and filed the Five Year Financial Outlook.

Motion: Member Lantz, seconded by Member Herrera
Vote: Unanimously carried
([See Supporting Document](#))

UPDATED REVENUE PROJECTIONS

Richard Hasenohrl, Director of Finance, presented the Budget Projections for the Proposed Budget (\$12.5 million deficit for FY 2011) and reported that revenue projections have recently changed due to a number of financial changes at the state and local level, which include:

- restoration of funding from the State Transit Assistance (STA) Program which is projected to be a \$3.7 million of additional funding to Foothill Transit;

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- projected current year savings
- revised ridership and fare revenue projections for FY 2011;
- planned administrative and service cost reductions; and
- possible fare increases in June 2010.

Mr. Barnes reported that Fare Allocation Process (FAP) numbers have been higher than anticipated, which have a positive effect on revenue. If Congress extends the Compressed Natural Gas (CNG) excise tax credit through December 31, 2010, there is a potential for a \$2.25 million revenue increase. The package presented to the Board for a balanced budget includes:

- \$3.9 million shared Service Reduction adjustment;
- \$1.5 million of savings from administrative service cost reductions; and
- \$1.2 million net revenue from fare increase (\$0.25 local fare, and 10% increase in other fares, including passes).

While the budget forecast shows a balanced budget, it contains items that will not be fully resolved until a final decision is made by the Foothill Transit Governing Board. Items include final service reduction levels and possible fare increases.

Following discussion, the Executive Board received and filed Foothill Transit's Updated Revenue Projections Report.

Motion: Member Lantz, seconded by Member Herrera

Vote: Unanimously carried

[\(See Supporting Documents\)](#)

CUSTOMER FEEDBACK ON PROPOSED FY 2011 SERVICE REDUCTION

LaShawn Gillespie, Director of Planning, provided an overview of the community and customer outreach campaign regarding the proposed FY 2011 service reductions. Four public hearings in the cities of El Monte, Duarte, Industry, and Pomona were held. In addition, the City of Claremont held a community meeting to solicit feedback on the impact of service reductions for that city. In total, approximately 200 concerned customers, residents, transit advocates, and community leaders attended the public hearings/meeting. Based on speaker cards received, more than half of the public hearing attendees provided feedback. Copies of transcripts of the public hearings were provided. Comments were also received via email, phone, mail and fax, and through the Transit stores.

The largest amount of feedback came from riders concerned with the cancelation of Lines 285 and 286 which provide the only service into Orange County from the San Gabriel Valley. The Board concurred that connectivity is important, and instructed staff to explore alternatives for these lines in order to maintain it.

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Service reduction of Express Lines for the holiday week of December 24th through 31st also garnered significant feedback suggesting limiting service hours rather than service elimination.

The proposal to eliminate Owl Service (12-4 am) for the Silver Streak also received a significant amount of ridership comments opposing elimination of service, as the Silver Streak is the only 24-hour owl service into the San Gabriel Valley from the Downtown Los Angeles Area.

An alternate proposal in lieu of cancelling Line 197 is being considered to include reducing span of service and frequency of service.

A major topic of discussion at the public hearings was a lack of adequate parking for bus riders, most notably in the West Covina, Diamond Bar, and the Chino Hills Park and Rides. Research is being done to assess the parking issue by surveying the number of riders and parking spaces allotted for them.

The overall message sent from riders at public hearings was that they are willing to accept a fare increase in order to retain services and bus lines.

The Executive Board received and filed an update on the customer feedback received during the customer and community outreach process conducted regarding the proposed FY 2011 Service reductions, and directed staff to:

- Explore alternatives for Lines 285 and 286 in order to maintain connectivity between Orange County and the San Gabriel Valley.
- Change frequency of service for the Express Lines during the holiday week of December 24th through 31st, and include new schedules for the holiday week in the forthcoming bus book.
- Continue the Owl Service (12-4 am) for the Silver Streak maintaining connectivity between the San Gabriel Valley and Downtown Los Angeles Area.
- Reduce span and frequency of service for Line 197.
- Continue to assess the issue of inadequate parking in the West Covina, Diamond Bar, and Chino Hills Park and Rides.

Motion: Member Herrera, seconded by Member Delach

Vote: Unanimously carried

[\(See Supporting Documents\)](#)

FOOTHILL TRANSIT BUS BOOK

The Executive Board approved the printing of two Bus Books per year in the summer and fall of 2010.

Motion: Member Delach, seconded by Member Lantz
Vote: Unanimously carried
([See Supporting Document](#))

MARKETING & COMMUNICATIONS COST REDUCTIONS

This item was heard in conjunction with Item 14. ([See Supporting Document](#))

TRANSIT STORE BUDGET BALANCING OPTIONS

This item was heard in conjunction with Item 14. ([See Supporting Document](#))

FUND BALANCE DESCRIPTION AND POLICY

Richard Hasneohrl, Director of Finance, reported that Foothill Transit currently does not have a fund balance policy because Foothill Transit does not have the ability to accumulate surplus funding with the current accounting model.

The Executive Board received and filed the Fund Balance Description and Policy Report.

Motion: Member Delach, seconded by Member Herrera
Vote: Unanimously carried
([See Supporting Document](#))

ADMINISTRATIVE ADVISORY COMMITTEE MEETING SCHEDULE

Kevin McDonald, Deputy Executive Director, reported that the Administrative Advisory Committee (AAC) has met once each year for the purpose of reviewing and providing a recommendation to the Executive Board regarding adoption of Foothill Transit's annual operating and capital budget.

Mr. Pieper advised the Executive Board that it is not mandatory for the AAC to meet.

Two possible options for scheduling a meeting of the AAC to review the FY 2011 Business Plan during this year's budget preparation cycle are for the AAC to meet:

1. Prior to the planned May 11, 2010 staff recommendation to the Executive Board regarding any proposed service reductions and fare increases; or

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2. Subsequent to the recommendation to the Executive Board regarding any proposed service reductions and fare increase and prior to a planned May 19, 2010, decision by the Governing Board related to service levels and fares.

A third option is for the AAC not to review the FY 2011 Business Plan.

The Executive Board reviewed options for the Administrative Advisory Committee (AAC) meeting schedule, and agreed to provide the AAC the option to meet, if interested.

Motion: Member Lantz, seconded by Member Herrera
Vote: Unanimously carried
([See Supporting Document](#))

PROPOSED FY 2011 ADMINISTRATIVE COST REDUCTIONS

Mr. Barnes reviewed a revised Attachment A (spreadsheet) which provides updated FY 2011 Non-Service Related (Administrative) Cost Reductions. He noted that updated areas are the last two columns of Attachment A (spreadsheet) recast the cost reductions in light of Foothill Transit's improved financial condition. The spreadsheet reflects reductions impacted by both the proposed \$2.5 million reduction and the \$1.5 million reduction.

Incorporated in the \$1.5 million reduction is:

- The continued operation of Transit Stores, including the operation of the El Monte Transit Store at its current operating levels; El Monte Transit Store would not be cut.
- The restoration of funding for marketing and communication programs at a slightly higher level than indicated in Item No. 10.
- A 3% annual increase in the Veolia management contract, which was previously removed. Included in the 3% are two unfilled positions (one full-time security officer position and one full-time Analyst/Manager of Performance Improvement position).

Darold Pieper, General Counsel, advised the Executive Board that the Negotiating Committee should continue negotiations with Veolia on the elimination of the two positions, subject to the possibility that the positions might be restored in the future.

Following discussion, the Executive Board approved the proposed revised \$1.5 million Non-Service Related (Administrative) Cost Reductions for Fiscal Year 2011 as detailed in the revised columns of Attachment A. Items 9 and 10 were subsumed in this item.

Motion: Member Lantz, seconded by Member Herrera
Vote: Unanimously carried
([See Supporting Documents](#))

EXECUTIVE DIRECTOR COMMENT

There was none.

BOARD MEMBER COMMENT

There was none.

ADJOURNMENT

There being no further business, the Executive Board adjourned at 4:03 p.m.

Staff and guests present:

Doran Barnes, Executive Director
Kevin McDonald, Deputy Executive Director
Darold Pieper, General Counsel
David Reyno, Director of Government Relations
Richard Hasenohrl, Director of Finance
LaShawn Gillespie, Director of Planning
Linda Somilleda, Director of Marketing & Communications
Kevin Ooms, Veolia Transportation
Ken Westbrook, Veolia Transportation
Martha Arana, Commission Services